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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte MARY BALOGH

Appeal 2009-003663
Application 10/608,254
Technology Center 3600

Decided: December 16, 2009

Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and BIBHU R. MOHANTY, *Administrative Patent Judges*.

CRAWFORD, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant appeals under 35 U.S.C. § 134 (2002) from a final rejection of claims 1-17. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

Appellant invented systems and methods for managing the collection of unpaid receivable accounts for healthcare enterprises (Spec. 1:10-11).

Claim 1 under appeal is further illustrative of the claimed invention as follows:

> 1. A method for processing claim data for reimbursement of provision of healthcare to a patient in response to rejection, denial, or lack of response to a submitted claim, comprising the steps of:
>
> automatically selecting an internal activity code from a predetermined internal activity code set specific to a particular organization and including a plurality of codes identifying processing to be performed concerning rejected claim data in response to a received notification of claim denial or rejection;
>
> automatically assigning said selected internal activity code to rejected claim data associated with said received notification;
>
> automatically scheduling a task comprising performing processing concerning said rejected claim data to derive corrected claim data including at least one (a) claim data supplemental to said rejected claim data and (b) amended rejected claim data, in response to said assigned selected internal activity code; and
>
> preparing said corrected claim data by including a standard activity code from a standard activity code set different to said internal activity code set and facilitating compatible communication between said particular organization and a payer organization for submission to said payer organization for payment.

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Pritchard	US 4,491,725	Jan. 1, 1985
Diamant	US 5,530,861	Jun. 25, 1996
Giannini	US 5,915,241	Jun. 22, 1999
Provost	US 6,341,265 B1	Jan. 22, 2002

The Examiner rejected claims 4 and 12 under 35 U.S.C. § 112, second paragraph for failing to particularly point out and distinctly claim the subject matter which Appellant regards as the invention; claims 1-2, 12-14, and 16-17 under 35 U.S.C. § 103(a)[1] as being unpatentable by Provost and Pritchard; claims 3-5 and 15 under 35 U.S.C. § 103(a) as being unpatentable over Provost, Giannini and Pritchard; and claims 6-11 under 35 U.S.C. § 103(a) as being unpatentable over Provost, Diamant, and Pritchard.

We REVERSE and ENTER A NEW GROUND under 37 C.F.R. § 41.50(b).

ISSUES

Did the Appellant show the Examiner erred in asserting that "translating said interpreted received nonpayment code to said standard activity code compatible with said standard activity code set," as recited in dependent claim 4, is indefinite?

Did the Appellant show the Examiner erred in asserting that "determining from said notification whether said rejected claim data was

[1] On page 4 of the Examiner's Answer and page 3 of the final Office Action mailed May 3, 2007, the Examiner erroneously listed claims 1-2, 12-14, and 16-17 as being rejected "under 35 U.S.C. [§] *102(e)* as being unpatentable by Provost … in view of Pritchard" (emphasis added). As the Examiner treats the balance of the analysis as a rejection under § 103(a), and Appellant responds as if the rejection was under § 103(a), we find that the error is a minor clerical error that, other than correction, does not require further action.

accompanied by a denial or rejection notification," as recited in dependent claim 12, is indefinite?

Did the Appellant show the Examiner erred in asserting that a combination of Provost and Pritchard renders obvious "automatically selecting an internal activity code ... in response to" a received notification of claim denial or rejection, or identified nonpayment reason, and "automatically assigning said selected internal activity code to rejected claim data associated with said received notification," as recited in independent claims 1, 14, and 17?

FINDINGS OF FACT

Specification

Appellant invented systems and methods for managing the collection of unpaid receivable accounts for healthcare enterprises (Spec. 1:10-11).

Provost

Provost discloses interactively creating insurance claims on a client computer that communicates with a remote server computer, whereby a health care provider can be almost immediately informed whether the created insurance claim is in condition to be paid (col. 1, ll. 6-12).

If the insurance claim is not in condition to be paid, the remote server transmits information to the client computer to inform the medical technician. The information transmitted to the client computer can include an indication of the reason for rejection of the claim and, optionally, suggestions on how to remedy the problem. In response, the health care providers change the treatment, otherwise amend the claim form, or inform

the patient that the insurance plan will not cover the treatment. When a claim form has been amended, the new information can be transmitted to the remote server to repeat the process of determining whether the claim is in condition to be paid (col. 4, ll. 22-38).

The medical technician views a computer-displayable claim form displayed by the client computer and enters a diagnosis code and a treatment code that describe a medical diagnosis and associated treatment for a patient. The diagnosis code and the treatment code are transmitted to the remote server. The remote server performs an operation in response to the diagnosis code and the treatment code to determine if these codes correspond to health care services that are approved for payment. If the remote server determines that the submitted claim will not be paid by an insurer, the remote server transmits information to the client computer to inform the medical technician of this result. In response, the medical technician can amend the treatment code or any other desired information on the insurance claim to place the claim in condition to be paid. After amending the claim, the claim is again submitted to the remote server, where it is again analyzed to determine whether it represents health care services that are approved for payment (col. 6, ll. 2-21).

Pritchard

Pritchard discloses that when an error is detected in a submitted standardized claims form, an appropriate error message is sent from computer 26 via link 22 to the local terminal 20. The service provider 16 can then correct the form and send the corrected form to the central brokerage computer 26 (col. 8, ll. 4-8).

When a correctly prepared claim form is received by the computer 26 from the terminal 20, the CPT-IV code, which was entered by the service provider into the standard form, is converted by use of Table 72 for the appropriate insurance carrier, herein labeled XYZ Mutual. Table 72 converts the five digit CPT-IV code into a four digit service code for the selected insurance carrier. Next, the file for that particular carrier, such as file 70 shown in Figure 6, is referenced with the selected service code. This service code is then utilized to read the claim payment for that particular service code. This claim payment amount is then transmitted, together with a control number for the particular claim, via the telecommunications link 22 back to the local entry terminal 20.

PRINCIPLES OF LAW

Claim Construction

The context of the surrounding words of the claim must be considered in determining the ordinary and customary meaning of those terms. *ACTV, Inc. v. Walt Disney Co.*, 346 F.3d 1082, 1088 (Fed. Cir. 2003).

The second paragraph of 35 U.S.C. § 112 requires claims to set out and circumscribe a particular area with a reasonable degree of precision and particularity. *In re Johnson*, 558 F.2d 1008, 1015 (CCPA 1977).

A claim is definite if "one skilled in the art would understand the bounds of the claim when read in light of the specification." *Personalized Media Commc'ns, LLC v. Int'l Trade Comm'n*, 161 F.3d 696, 705 (Fed. Cir. 1998).

Two distinct claim elements should each be given full effect. *Unique Concepts, Inc. v. Brown*, 939 F.2d 1558, 1563 (Fed. Cir. 1991).

35 U.S.C. § 101

The test to determine whether a claimed process recites patentable subject matter under § 101 is whether: (1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. *In re Bilski*, 545 F.3d 943, 961-62 (Fed. Cir. 2008) (*en banc*).

ANALYSIS

Nonpayment and Standard Activity Code

We are persuaded of error on the part of the Examiner by Appellant's argument that "translating said interpreted received nonpayment code to said standard activity code compatible with said standard activity code set," as recited in dependent claim 4, is not indefinite (App. Br. 7). The Examiner asserts that the difference between the nonpayment code and standard activity code is unclear because the Specification defines the standard activity code referred to as a predetermined nonpayment activity code (Ex. Ans. 20-21). The portion of page 8 of the Specification referenced by the Examiner does inject some ambiguity into the differences between nonpayment code and standard activity code. However, the balance of the Specification and the relationship between nonpayment code and standard activity code set forth in the claim itself (that the nonpayment code is "translated" into the standard activity code) provides a reasonable degree of precision and particularity to the terms to meet the definiteness requirements of 35 U.S.C. § 112, second paragraph. *See ACTV, Inc. v. Walt Disney Co.*, 346 F.3d at 1088; *In re Johnson*, 558 F.2d at 1015.

Denial or Rejection Notification

We are persuaded of error on the part of the Examiner by Appellant's argument that "determining from said notification whether said rejected claim data was accompanied by a denial or rejection notification," as recited in dependent claim 12, is not indefinite (App. Br. 7-8). The Examiner asserts that the recitation of *rejected* claim data including *denial* notification is confusing (Ex. Ans. 21). While the Appellant could have used less confusing language by striking "rejected" from "rejected claim data," the claim is sufficiently definite that one of ordinary skill would have understood that both a denial notification and a rejection notification can be a subset of rejected claim data. *See Personalized Media Commc'ns, LLC v. Int'l Trade Comm'n*, 161 F.3d at 705.

Internal Activity Code

We are persuaded of error on the part of the Examiner by Appellant's argument that a combination of Provost and Pritchard does not disclose "automatically selecting an internal activity code ... in response to" a received notification of claim denial or rejection, or identified nonpayment reason, and "automatically assigning said selected internal activity code to rejected claim data associated with said received notification," as recited in independent claims 1, 14, and 17 (App. Br. 12-16, 19-22, 25-28). Provost discloses that if the remote server determines that the submitted claim will not be paid by an insurer, the remote server transmits information to the client computer to inform the medical technician of this result. In response, the medical technician can amend the treatment code or any other desired information on the insurance claim to place the claim in condition to be paid.

Nowhere in this process does Provost disclose assigning an internal activity code to the received denial/rejection/nonpayment notification. Instead, the medical technician receives the notification from the remote server and responds to the notification without the selection/assignment, automatically or otherwise, of an internal activity code. While we agree with the Examiner's argument on page 21 of the Examiner's Answer that "providing an automatic means to replace a manual activity that accomplishes the same result is not sufficient to distinguish over the prior art," here, the Examiner has not shown how the *medical technician* responds to the notification by selecting/assigning an internal activity code. In other words, Provost does not disclose a manual equivalent to the step of selecting/assigning an internal activity code that could be automated, because the medical technician amends the treatment code/information on the insurance claim *without* the use of an internal activity code.

The Examiner also cites column 8, lines 4-52 of Pritchard as disclosing this aspect, first by asserting that the appropriate error message sent from computer 26 via link 22 to the local terminal 20 corresponds to the selecting/assigning an internal activity code (Ex. Ans. 5-6). However, as the appropriate error message already corresponds to the recited "received notification," it cannot also correspond to the step of selecting/assigning an internal activity code. *See Unique Concepts, Inc. v. Brown*, 939 F.2d at 1563. Indeed, the Examiner admits as much on page 25 of the Examiner's Answer ("Pritchard discloses an error message (i.e., received notification) in response to a rejected claim data.")

The Examiner also "interprets that the service provider correcting the form after the error message is sent is the same as a task being scheduled in

response to assigned internal activity code" (Ex. Ans. 6). While we agree that "the service provider correcting the form after the error message is sent is the same as a task being scheduled," the task is scheduled in response to the error message/received notification, and not due to the assignment of an internal activity code as claimed.

The Examiner further asserts that column 8, lines 11-25 of Pritchard specifically disclose "assigning internal activity code to claim data" (Ex. Ans. 25). However, the cited portion of Pritchard relates to converting five digit CPT-IV codes of the service provider to appropriate four digit service codes for the selected insurance carrier, and has nothing to do with "assigning said selected internal activity code to rejected claim data associated with said received notification," as recited in independent claims 1, 14, and 17.

Due to their dependence on one of independent claims 1 and 14, we do not sustain the rejections of dependent claims 2-13 and 15-16 on these grounds.

NEW REJECTION

Using our authority under 37 C.F.R. § 41.50(b), we reject method claims 1-16 under 35 U.S.C. § 101 for failing to recite patentable subject matter. Method claims 1-16 recite neither (1) a particular machine or apparatus, nor (2) transforming a particular article into a different state or thing. *See In re Bilski*, 545 F.3d at 961-62. Indeed, method claims 1-16 are directed solely to data manipulation, and do not recite any tangible machines, apparatus, or articles.

CONCLUSION OF LAW

On the record before us, Appellant has shown that the Examiner erred in rejecting claims 1-17.

We enter a new ground of rejection of claims 1-16 under 35 U.S.C. § 103(a).

DECISION

The decision of the Examiner to reject claims 1-28 is affirmed.

This decision also contains new grounds of rejection pursuant to 37 C.F.R. § 41.50(b). 37 C.F.R. § 41.50(b) provides "[a] new ground of rejection pursuant to this paragraph shall not be considered final for judicial review." This Decision contains a new rejection within the meaning of 37 C.F.R. § 41.50(b) (2007).

37 C.F.R. § 41.50(b) also provides that Appellant, WITHIN TWO MONTHS FROM THE DATE OF THE DECISION, must exercise one of the following two options with respect to the new rejection:

> (1) *Reopen prosecution.* Submit an appropriate amendment of the claims so rejected or new evidence relating to the claims so rejected, or both, and have the matter reconsidered by the Examiner, in which event the proceeding will be remanded to the Examiner. . . .
>
> (2) *Request rehearing.* Request that the proceeding be reheard under § 41.52 by the Board upon the same record. . . .

Should the Appellant elect to prosecute further before the Examiner pursuant to 37 C.F.R. § 41.50(b)(1), in order to preserve the right to seek review under 35 U.S.C. §§ 141 or 145 with respect to the affirmed rejection,

the effective date of the affirmance is deferred until conclusion of the prosecution before the Examiner unless, as a mere incident to the limited prosecution, the affirmed rejection is overcome.

If the Appellant elects prosecution before the Examiner and this does not result in allowance of the application, abandonment or a second appeal, this case should be returned to the Board of Patent Appeals and Interferences for final action on the affirmed rejection, including any timely request for rehearing thereof.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

REVERSED; 37 C.F.R. § 41.50(b)

hh

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